



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
PO Box 47852 • Olympia, Washington 98504-7852

June 4, 2019

CERTIFIED MAIL # 7018 2290 0001 8591 9138

Robert Watilo, Chief Strategy Officer
Providence St. Mary Medical Center
401 West Poplar
Walla Walla, Washington 99362

RE: Certificate of Need Application #18-22

Dear Mr. Watilo:

Enclosed is Certificate of Need #1779 issued to Providence Health & Services-Washington approving the establishment of an ambulatory surgical facility in Walla Walla, within Walla Walla County.

The certificate is not an approval for any other local, federal, or state statutes, rules, or regulations. Such a project may also need Department of Health approval for a construction plan and facility licensing or certification, as well as other federal or local jurisdiction permits.

The Certificate of Need is valid for two years. The project must begin during this time. If there is substantial and continuing progress, we may extend the certificate for one six month period. For an extension, you must submit an extension request at least 120 days before the expiration. You cannot begin a project after the expiration date.

This decision may be appealed. The appeal options are listed below.

Appeal Option 1:

Any person with standing may request a public hearing to reconsider this decision. The request must state the specific reasons for reconsideration in accordance with Washington Administrative Code 246-310-560. A reconsideration request must be received within 28 calendar days from the date of the decision at one of the following addresses:

Mailing Address:
Department of Health
Certificate of Need Program
Mail Stop 47852
Olympia, WA 98504-7852

Physical Address:
Department of Health
Certificate of Need Program
111 Israel Road SE
Tumwater, WA 98501

Appeal Option 2:

Any person with standing may request an adjudicative proceeding to contest this decision within 28 calendar days from the date of this letter. The notice of appeal must be filed according to the provisions of Revised Code of Washington 34.05 and Washington Administrative Code 246-310-610. A request for an adjudicative proceeding must be received within the 28 days at one of the following addresses:

Mailing Address:

Department of Health
Adjudicative Service Unit
Mail Stop 47879
Olympia, WA 98504-7879

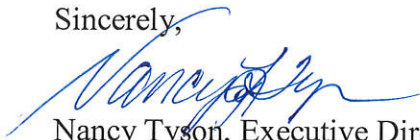
Physical Address

Department of Health
Adjudicative Service Unit
111 Israel Road SE
Tumwater, WA 98501

We monitor projects until completed or the expiration date, whichever occurs last. We do this with quarterly progress reports. At least 30 days before the report's due date, you will receive a form to complete and return.

If you have any questions, please contact Janis Sigman, Manager of the Certificate of Need Program at (360) 236-2955.

Sincerely,



Nancy Tyson, Executive Director
Health Facilities and Certificate of Need
Community Health Systems

Enclosure



This Certificate is granted under the authority of RCW 70.38. Issuance of this Certificate does not constitute approval under any other local, federal or state statute, implementing rules and regulations. Examples where additional approval may be necessary include, but are not limited to, construction plan approval through the Construction Review Unit of the Department of Health, facility licensing/certification through the Department of Social and Health Services or Department of Health, and other federal or local jurisdiction permits.

Certificate of Need #1779 is issued to:

Applicant's Legal Name: Providence Health & Services-Washington
Applicant's Address: 7515 Terminal Street SW Tumwater, Washington 98501
Facility Type Ambulatory Surgical Facility
Project Type Ambulatory Surgical Facility
Facility Name: Name Not Yet Determined
Facility Address: 2015 South 2nd Avenue, Walla Walla, Washington 99362

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION DATED MAY 29, 2019 (CN APP # 18-22)

Project Description

This certificate approves the establishment of an ambulatory surgical facility in Walla Walla, within Walla Walla County. The surgery center will serve patients from five years and older that require surgical services that can be served appropriately in an outpatient surgery setting. The surgery center would have four operating rooms (ORs). Of the four ORs, two would be dedicated to GI/endoscopy and two would be used for all other procedures, such as ENT; eye; gastroenterology; gynecology; general surgery; neurology; orthopedics; ophthalmology; plastics; podiatry; urology; respiratory; and vascular surgery.

Service Area

Walla Walla County

Conditions

The conditions are identified on page 2 of this certificate

Approved Capital Expenditure

The approved capital expenditure for this project is \$6,711,667, which includes the construction necessary to bring the building into compliance with surgery center construction standards. It also includes the purchase price costs allocated to the surgery center project.

This Certificate authorizes commencement of the project from June 4, 2019 to June 4, 2021 unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: June 4, 2019

A handwritten signature in blue ink, appearing to read "Nancy Tyson", is written over a horizontal line.

Nancy Tyson, Executive Director
Health Facilities and Certificate of Need
Washington State Department of Health

This Certificate is not transferable

Certificate of Need #1779

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Conditions

1. Providence Health & Services agrees with the project description as stated above. Providence Health & Services further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. The surgery center will provide charity care in compliance with its charity care policies. Providence Health & Services will use reasonable efforts to provide charity care consistent with the regional average or the amount identified in the application – whichever is higher. The regional charity care average from 2015-2017 was 0.81% of gross revenue and 2.54% of adjusted revenue. The surgery center will maintain records of charity care applications received and the dollar amount of charity care discounts granted at the location of the surgery center. The records must be available upon request.
3. Prior to providing services at the surgery center, Providence Health & Services will provide a copy of the final Admission Policy for the department's review and approval. The final Admission Policy must be consistent with the draft policy provided in the application.
4. Prior to providing services at the surgery center, Providence Health & Services will provide a copy of the final Patient Rights and Responsibilities Policy for the department's review and approval. The final Patient Rights and Responsibilities Policy must be consistent with the draft policy provided in the application.
5. Prior to providing services at the surgery center, Providence must provide a copy of the final Patient Transfer Agreement for the department's review and approval. The final Patient Transfer Agreement must be consistent with the draft policy provided in the application.
6. Providence Health & Services must license the ambulatory surgery center under chapter 70.230 of the Revised Code of Washington. Providence Health & Services must agree to maintain licensure for the ambulatory surgery center under this chapter.
7. Prior to providing services at the surgery center, Providence Health & Services will submit to the department for review and approval a listing of key staff for the surgery center. Key staff includes all credentialed or licensed management staff, including the director of nursing, and medical director.
8. Providence Health & Services agrees that the surgery center will maintain Medicare and Medicaid certification, regardless of facility ownership.
9. Providence Health & Services will fund the project as described in the application.